

~~SECRET~~
Services Division

Committee on China

Committee Minutes - 157th Meeting - 14 January 1958

D/S Representatives:

25X1A9a

Guests:

25X1A9a

The Committee discussed the following:

1. The Peking Radio announced on 29 December that the Ying-tan Amoy Railway was handed over to the State for official opening on 1 January 1958.

25X1X7 [REDACTED] Comment: Tracklaying was completed on 9 December 1956; limited provisional freight to Amoy started 6 January 1957; Provisional through-passenger service began 10 April 1957; the Shanghai Railway Bureau accepted freight destined for Amoy on 5 February 1957. The lapse of about one year between completion of tracklaying and the official opening for full traffic is considered normal. This delay is necessitated by the extensive consolidation work required to bring the railway up to mainline standard after being subjected to speedy construction. ~~SECRET~~

25X1X7 [REDACTED] (b)

2. The Chinese Communists have reported their 1957 grain output at 185 million tons, an increase of 3 million tons over 1956. Although it is claimed to be the largest output in the history of the country, the Communists fail to mention that it was some 3 percent below their 1957 plan goal of 191 million tons. In addition, for the first time in many years, the annual increase in grain output did not keep pace with population growth thereby aggravating an already serious food supply situation in the country.

Chinese Communist goals for the Second Five Year Plan period, 1958-1962, for grain, cotton, and hogs have also been revised downward. The grain production target for 1962 has been lowered from 250 million to 240 million tons; cotton from 2.4 to 2.15 million tons; and hogs from 250 to 220 million head.

~~SECRET~~

S-E-C-R-E-T

Although these revised goals are still somewhat unrealistic, they may indicate that the Communists are becoming more rational in their agricultural planning. Investment in the agricultural sector is to be stepped up with a doubling of their original chemical fertilizer goal for 1962 from 3 to 6 million tons. In addition, continued emphasis is to be placed upon irrigation, water conservancy, and improvements in the collection and utilization of organic fertilizers.

By means of the above measures, by 1962, it should be possible to increase grain production to about 217 million tons, cotton production to 2 million tons, and a growth of hog numbers to around 150 million head.

25X1A9a

[REDACTED] M/AG, x 8616

3. Recent announcements from the Chinese Petroleum Ministry have revealed: (1) The Ministry failed to fulfill its announced goal of 1.5 million tons of petroleum in 1957; actual production was about 1.44 million tons, (2) Plans for 1958 include the construction of a synthetic oil plant at Maoning in Kwangtung Province, continuation of construction of the large natural crude oil refinery at Lan-chou, and completion of a 150 kilometer pipeline from the Karamai Oilfield to the Tu-shan-tzu Refinery, and (3) Production of crude oil from the Karamai Oilfield will be included in the production plan for the first time in 1958. Earlier plans have indicated that the Lan-chou Refinery would be completed, at least partially, in 1958.
(OFF. USE)

25X1A9a

[REDACTED] M/P, x 2513

Agenda:

21 January - Current Items,
Room 1125, M Building--1400.

25X1A9a

RR/S/TF: [REDACTED]:cw/2749 (14 Jan 58)

25X1A9a

S-E-C-R-E-T